



Iowa Department of Human Services

INFORMATIONAL LETTER NO.1949-MC-FFS

DATE: September 13, 2018

TO: Iowa Medicaid Physicians, Dentists, Advanced Registered Nurse Practitioners, Therapeutically Certified Optometrists, Podiatrists, Pharmacies, Hospitals, Federally Qualified Health Centers (FQHCs), Rural Health Clinics (RHCs), Community Mental Health Centers, Clinics, Family Planning Clinics, Screening Centers, Maternal Health Clinics, Ambulatory Surgical Centers, Mental Hospital, Institutional-General, Certified Nurse Midwives and Certified Registered Nurse Anesthetists

APPLIES TO: Managed Care (MC), Fee-for-Service (FFS)

FROM: Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

RE: Medicaid Drug Rebate Program (MDRP) and National Drug Code (NDC) Coverage

EFFECTIVE: October 1, 2018

Due to a revision to the National Drug Rebate Agreement (NDRA) by the Centers for Medicare & Medicaid Services (CMS), existing pharmaceutical manufacturers/labelers are required to complete a new NDRA before September 30, 2018, if they want continued Medicaid coverage of their products. Should any manufacturers/labelers ultimately not sign and submit the updated NDRA to CMS by September 30, 2018, their existing rebate agreements will be terminated and these manufacturers/labelers will be removed from the MDRP and Medicaid coverage effective October 1, 2018.

This communication is intended to inform providers of this possible coverage shift which may impact the drugs available to prescribe and/or administer to Medicaid members beginning October 1, 2018. We encourage providers concerned about the Medicaid availability of certain drugs with limited alternatives, to reach out to their pharmaceutical manufacturer/labeler representatives to confirm that the manufacturer/labeler has completed the updated NDRA or relayed their intent not to renew their NDRA.

Determining Drug Product Rebate Eligibility

The following information replaces the process in [Informational Letter 1897](#)¹ published on June 1, 2018, regarding determining drug rebate eligibility as CMS has recently changed the layout of the manufacturer/labeler file.

¹ https://dhs.iowa.gov/sites/default/files/1897-MC-FFS_Physician-AdminDrugs_NDCBillingRequirementsUpdate.pdf

The list to determine if a drug is rebate eligible can be found on the [Medicaid Drug Rebate Program](#)² webpage of Medicaid.gov under the heading “Contact Information”.

- Click on the “Drug Manufacturer Contact Information” hyperlink.
- The first column will identify the labeler code representing the manufacturer/labeler of the drug followed by the manufacturer/labeler name in the second column.
- The national drug code (NDC) number is a unique 10 or 11-digit code assigned to all pharmaceuticals. The number is in a 4-4-2 or 5-4-2 format and can be found on product packaging. The first four or five numbers of the NDC refer to the labeler code which is used for any drug produced by that labeler.
- To search for a labeler code on the CMS list, remove any leading zeros and refer to column one “labeler code”.
- If a manufacturer/labeler is included on the list of drug manufacturers/labelers participating in the CMS Medicaid Drug Rebate Program, **and no termination date is listed for the effective date of service**, all FDA approved outpatient drugs produced by that manufacturer/labeler are considered rebate eligible and would be covered as allowed by Medicaid policy.

CMS has posted a list of pending manufacturer/labeler terminations on their [New/Reinstated & Terminated Labeler Information](#)³ webpage. As these manufacturers/labelers sign and submit an updated NDRA over the month of September, CMS will remove the pending termination date and will provide a final list of terminated manufacturers/labelers on October 1, 2018. Labelers will not be retro-actively re-instated.

Please refer to the [Medicaid Drug Rebate Program Notice - Release #108 \(For Participating Drug Manufacturers\)](#)⁴ for additional information. Questions related to the MDRP should be referred to RxDrugPolicy@cms.hhs.gov.

If you have questions related to medical claims processing, please contact the IME Provider Services Unit at 1-800-338-7909, or by email at imeproviderservices@dhs.state.ia.us. If you have questions related to Pharmacy POS claims processing, please contact the Pharmacy POS Helpdesk at 877-463-7671 or 515-256-4608 (local in Des Moines) or email info@iowamedicaidpos.com.

² <https://www.medicaid.gov/medicaid/prescription-drugs/medicaid-drug-rebate-program/index.html>

³ <https://www.medicaid.gov/medicaid/prescription-drugs/medicaid-drug-rebate-program/new-and-terminated-labeler/index.html>

⁴ <https://www.medicaid.gov/medicaid-chip-program-information/by-topics/prescription-drugs/downloads/rx-releases/mfr-releases/mfr-rel-108.pdf>